



CONGRESSIONAL BUDGET OFFICE COST ESTIMATE

August 25, 2000

S. 1536

Older Americans Act Amendments of 2000

*As ordered reported by the Senate Committee on Health, Education, Labor, and Pensions
on July 21, 2000*

SUMMARY

S. 1536 would authorize spending for fiscal years 2001 through 2005 on programs designed to help older Americans, including the funding of senior centers, supportive services, nutrition services, community service employment, and research on aging. Assuming appropriation of the authorized amounts, including adjustments for inflation after 2001, CBO estimates that implementing S. 1536 would cost \$12 billion over the 2001-2005 period. If funding is maintained throughout the period at \$2.5 billion, as authorized for 2001, outlays would total \$11.6 billion over the five years. Similar existing programs received appropriations of \$1.5 billion in fiscal year 2000. Because S. 1536 would not affect direct spending or receipts, pay-as-you-go procedures would not apply to the bill.

S. 1536 contains an intergovernmental mandate as defined in the Unfunded Mandates Reform Act (UMRA). CBO estimates, however, that enacting this mandate would result in no net costs for state, local, or tribal governments, because the bill would authorize appropriations to pay for the mandate. Consequently, the threshold established in UMRA (\$55 million in 2000, adjusted annually for inflation) would not be exceeded. Other provisions of the bill would benefit state, local, and tribal governments, and any related costs would be incurred voluntarily. S. 1536 contains no private-sector mandates as defined in UMRA.

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of S. 1536 is shown in Table 1. The costs of this legislation fall within budget function 500 (education, training, employment, and social services).

TABLE 1. ESTIMATED BUDGETARY EFFECTS OF S. 1536

	By Fiscal Year, in Millions of Dollars					
	2000	2001	2002	2003	2004	2005
SPENDING SUBJECT TO APPROPRIATION						
With Adjustments for Inflation						
Spending Under Current Law						
Budget Authority ^a	1,514	0	0	0	0	0
Estimated Outlays	1,481	591	57	0	0	0
Proposed Changes						
Estimated Authorization Level	0	2,539	2,592	2,645	2,702	2,752
Estimated Outlays	0	1,590	2,464	2,620	2,676	2,729
Spending Under S. 1536						
Estimated Authorization Level ^a	1,514	2,539	2,592	2,645	2,702	2,752
Estimated Outlays	1,481	2,181	2,521	2,620	2,676	2,729
Without Adjustments for Inflation						
Spending Under Current Law						
Budget Authority ^a	1,514	0	0	0	0	0
Estimated Outlays	1,481	591	57	0	0	0
Proposed Changes						
Estimated Authorization Level	0	2,539	2,539	2,539	2,540	2,542
Estimated Outlays	0	1,590	2,434	2,539	2,540	2,542
Spending Under S. 1536						
Estimated Authorization Level ^a	1,514	2,539	2,539	2,539	2,540	2,542
Estimated Outlays	1,481	2,181	2,491	2,539	2,540	2,542

Note: Components may not sum to totals because of rounding.

a. The 2000 level is the amount appropriated for that year for programs authorized under the Older Americans Act of 1965.

BASIS OF ESTIMATE

S. 1536 would amend the Older Americans Act of 1965 by substituting new authorizations for programs that are broadly similar to those previously authorized. It would authorize appropriations of \$2.5 billion for fiscal year 2001 and such sums as may be necessary for subsequent fiscal years for those programs. Except for the pension counseling program, the bill would authorize specific amounts for each program. Assuming that funding for 2002

through 2005 would be the authorized 2001 levels adjusted for inflation, appropriations would reach \$2.8 billion by 2005 and would total \$13.2 billion over the 2001-2005 period. If adjustments for inflation are not made, appropriations would total \$12.7 billion over the same five-year period. The estimated outlays assume the funds would be spent at rates comparable to the historical patterns of the existing programs. The amounts authorized for these programs, assuming inflation adjustments after 2001, are shown in Table 2.

The bill would authorize specific amounts for fiscal year 2001 and such sums as may be necessary for the following fiscal years through 2005 for these programs:

- Administrative expenses for the Administration on Aging, within the Department of Health and Human Services: \$29 million;
- Grants for research and demonstration projects: \$72 million;
- Eldercare locator services: \$1 million;
- Grants to states for supportive services (such as transportation and counseling) and multipurpose senior centers: \$507 million;
- Nutrition services (including congregate and home-delivered meals): \$705 million;
- A "Nutrition Services Incentive Program," administered by the Department of Agriculture: \$460 million;
- Grants for disease prevention and health promotion: \$25 million;
- A family caregiver program designed to provide information and support to individuals who care for elderly family members: \$125 million;
- State programs to provide ombudsmen for long-term care: \$40 million;
- Grants aimed at the prevention of elder abuse, neglect, and exploitation: \$15 million;
- Legal Assistance Development Program: \$10 million;
- Grants for Native American programs on aging: \$40 million, including \$30 million for supportive and nutrition services, \$5 million for Native American caregiver support, and \$5 million for the protection of the rights of vulnerable seniors; and

- Senior Community Service Employment Program, which is operated by the Department of Labor: \$500 million for fiscal year 2001. The bill also would authorize additional funding if it is necessary to provide a minimum of 70,000 part-time jobs for eligible seniors. (The 2001 authorization would fund the minimum number of jobs at the current minimum wage. However, if the minimum wage were to be increased, additional appropriations would be needed.)

S. 1536 also would authorize a White House Conference on Aging, to be held by December 31, 2005. Authorized funding for the conference is \$1 million in the year preceding the conference and \$3 million in the year of the conference. For purposes of this estimate, CBO has assumed that the conference would be held in fiscal year 2005.

The bill would authorize such sums as may be necessary for grants to states and nonprofit organizations to provide pension counseling and information services. CBO estimates that such grants would cost \$10 million, similar to the amount authorized for the Legal Assistance Development Program.

TABLE 2. AUTHORIZATIONS UNDER S. 1536, WITH ADJUSTMENTS FOR INFLATION

	By Fiscal Year, in Millions of Dollars				
	2001	2002	2003	2004	2005
Administration, Grants and Elder Care					
Estimated Authorization Level	102	104	106	109	110
Estimated Outlays	42	81	105	107	109
Supportive Services and Senior Centers					
Estimated Authorization Level	507	517	528	539	549
Estimated Outlays	380	505	525	536	546
Congregate Meals					
Estimated Authorization Level	505	516	526	537	547
Estimated Outlays	429	504	524	535	545
Home-Delivered Meals					
Estimated Authorization Level	200	204	208	213	217
Estimated Outlays	150	198	204	208	213
Nutrition Services Incentive Program					
Estimated Authorization Level	460	470	479	489	498
Estimated Outlays	368	468	477	487	496

Continued

TABLE 2. CONTINUED

	By Fiscal Year, in Millions of Dollars				
	2001	2002	2003	2004	2005
Disease Prevention and Health Promotion					
Estimated Authorization Level	25	26	26	27	27
Estimated Outlays	19	25	26	27	27
Family Caregiver					
Estimated Authorization Level	125	128	130	133	135
Estimated Outlays	50	114	128	131	134
Ombudsman and Elder Abuse Prevention					
Estimated Authorization Level	55	56	57	59	60
Estimated Outlays	34	53	57	58	59
Legal Assistance Development Program					
Estimated Authorization Level	10	10	10	11	11
Estimated Outlays	4	10	10	10	11
Grants for Native Americans					
Estimated Authorization Level	40	41	42	43	43
Estimated Outlays	20	38	41	42	43
Community Service Employment					
Estimated Authorization Level	500	511	521	532	542
Estimated Outlays	90	460	512	522	533
White House Conference on Aging					
Estimated Authorization Level	0	0	0	1	3
Estimated Outlays	0	0	0	1	3
Pension Counseling					
Estimated Authorization Level	10	10	10	11	11
Estimated Outlays	4	10	10	10	11
Total, Aging Services					
Estimated Authorization Level	2,539	2,592	2,645	2,702	2,752
Estimated Outlays	1,590	2,464	2,620	2,676	2,729

Note: Components may not sum to totals because of rounding.

PAY-AS-YOU-GO CONSIDERATIONS: None.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

S. 1536 contains an intergovernmental mandate as defined in UMRA because it would require states to provide the services of a state legal assistance developer to protect the legal rights of older individuals. Because this bill would authorize appropriations of \$10 million to cover the cost of the services, the threshold established in UMRA (\$55 million in 2000, adjusted annually for inflation) would not be exceeded. Under current law, states provide these services as a condition of aid under grants for state and community programs on aging.

The bill also would authorize grants to state, local, and tribal governments to carry out nutrition and support programs for older individuals and their caregivers. CBO estimates that state, local, and tribal governments could receive grants totaling approximately \$12 billion over the next five years, and any costs related to receipt of these funds would be incurred voluntarily.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

S. 1536 contains no private-sector mandates as defined in UMRA.

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